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Delaware Announces Settlement with Educational Research Center of America

Wilmington, DE – The Delaware Department of Justice announced today that it has recovered \$7000 through a settlement with the New Jersey company, Educational Research Center of America, Inc. (ERCA). The settlement resolves allegations that ERCA illegally offered gift cards to educators in exchange for distributing student surveys designed to collect personal information, and that it failed to provide opt out notifications. ERCA provided student information that it obtained through these surveys to educational institutions and to commercial businesses that market products and services to students.

“Consumers have a right to know how organizations will use the information they provide through surveys,” stated Timothy Mullaney, Director of the Fraud and Consumer Protection Division. “This agreement ensures that these uses will be disclosed and that consumers will be notified of their right to opt out.”

In addition to the financial terms of the settlement, ERCA will take the following measures:

- Cease to offer anything of value to educators in connection with student survey-related solicitations
- Disclose the existence and nature of its purpose for collecting survey information, as well as the types of entities that will receive the information, in all the documents it uses to collect data
- Provide an opt-out notice to each school, to be provided to parents of students under 18 and to students 18 and older, if it uses or permits others to use survey data for any non-educational marketing purpose
- Cease all future uses of information from students who opt-out within ten business days of receiving the request

The national settlement totals \$200,000 and involves 36 states, and the District of Columbia. Delaware’s \$7,000 recovery will be paid to the State’s General Fund.

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